

AN ACT

ENTITLED, An Act to revise certain provisions regarding medicare supplement policies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-17A-1 be amended to read as follows:

58-17A-1. Terms used in this chapter mean:

- (1) "Applicant," in the case of an individual medicare supplement policy or subscriber contract, the person who seeks to contract for insurance benefits; and in the case of a group medicare supplement policy or subscriber contract, the proposed certificate holder;
- (2) "Certificate," any certificate issued under a group medicare supplement policy, which policy has been delivered or issued for delivery in this state;
- (3) "Certificate form," the form on which the certificate is delivered or issued for delivery by the issuer;
- (4) "Issuer," includes insurance companies, fraternal benefit societies, health care service plans, health maintenance organizations, and any other entity delivering or issuing for delivery in this state medicare supplement policies or certificates;
- (5) "Medicare," the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965 and as amended through December 31, 1991;
- (6) "Medicare supplement policy," a group or individual policy of health insurance or a subscriber contract of nonprofit hospital, medical and surgical service plans, or health maintenance organizations, which is advertised, marketed, or designed primarily as a supplement to reimbursements under medicare for the hospital, medical or surgical expenses of persons eligible for medicare. The term does not include insurance policies or health care benefit plans, including group conversion policies, provided to medicare eligible persons which policies are not marketed or held to be medicare supplement

policies or benefit plans, nor does it apply to a policy or contract of one or more employers or labor organizations, or of the trustees of a fund established by one or more employers or labor organizations, or combination thereof, for employees or former employees or a combination thereof, or for members or former members, or a combination thereof, of the labor organizations. The term does not include a policy issued pursuant to a contract under Section 1876 of the federal Social Security Act, 42 U.S.C. 1395, et seq., or a policy issued under a demonstration project specified in 42 U.S.C. 1395ss(g)(i). The term does not include any medicare advantage plan established under Medicare Part C, any outpatient prescription drug plan established under Medicare Part D, or any health care prepayment plan that provides benefits pursuant to an agreement under § 1833(a)(1)(A) of the Social Security Act;

- (7) "Policy form," the form on which the policy is delivered or issued for delivery by the issuer.

Section 2. That § 58-17A-10 be amended to read as follows:

58-17A-10. Every issuer providing group medicare supplement insurance benefits to a resident of this state shall file a copy of the master policy and any certificate used in this state in accordance with the filing requirements and procedures applicable to group medicare supplement policies issued in this state.

Every issuer providing medicare supplement policies or certificates in this state shall annually file its rates, rating schedule, and supporting documentation demonstrating that it is in compliance with the applicable loss ratio standards of this state. All filings of rates and rating schedules shall demonstrate that the actual and expected losses in relation to premiums comply with the requirements of this chapter.

An issuer shall file any riders or amendments to policy or certificate forms to delete outpatient

prescription drug benefits as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 for any policy or certificate issued in this state.

An Act to revise certain provisions regarding medicare supplement policies.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 51

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 51

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State